STANDARD FORM 2 **FEBRUARY 1965 EDITION** GENERAL SERVICES ADMINISTRATION FPR (41CFR) 1D16.601

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE:

APR 1 6 2010

LEASE No. GS-09B-02345

THIS LEASE, made and entered into this date between Camacho Family Partnership

whose address is: P.O Box 3509

Hagatna, Guam 96932-3509

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

- 1. The Lessor hereby leases to the Government the following described premises: 4,222 rentable square feet (r.s.f.), yielding approximately 4,011 ANSI/BOMA Office Area square feet and related space located on the first Floor (Bay 102 & 103) at the Lot 5206-REM-3-3NEW-2-1 Building, 231 B. Pangelinanan Way, Barrigada, Guam 96932-3509, together with 4 onsite outside reserved parking spaces, as depicted on the attached Exhibit A: Site/ Parking Plan, and Exhibit B: First Generation Blue Lines to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
- 2. PARAGRAPH 2 IS INTENTIONALLY OMITTED
- The Government shall pay the Lessor annual rent of \$238,666.04 at the rate of \$19,888.84 per month in arrears for years one (1) through four (4). For years five (5) through ten (10) the Government shall pay the Lessor annual rent of \$155,242.94 at the rate of \$12,936.91 per month in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be payable to:

> Camacho Family Partnership P.O. Box 3509 Hagatna, Guam 96932-3509

- The Government may terminate this lease in whole or in part effective any time on or after the fourth (4th) year firm term of this lease giving at least 90 days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
- 5. PARAGRAPH 5 IS INTENTIONALLY OMITTED

6.	The Lessor shall furnish to the Government as part of the rental consideration, the following:		
	A.	The parking space(s) described in Paragraph 1 and parking spaces required by local code	
	В.	All labor, materials, equipment, design, professional fees, permit fees, inspection fees, util (including, without limitation, plans and specifications), construction costs and services an	

- B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. GS-098-02345 and its attachments.
- C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
- 7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number GS-09B-02345 (pages 1-43) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Site Plan/ Parking Plan (Exhibit A) (pages 1 of 1);
- c) First Generation Blue Lines (Exhibit B) (pages 1 of 1);
- d) NFPA 750 Standard on Water Mist Fire Protection Systems 2006 Edition (pages 1-73);
- e) Special Requirements entitled, 1

" (pages 1-13);

- f) GSA Form 3517 (pages 1-33);
- g) GSA Form 3518 (pages 1-7);
- h) Sheet no. 1-4 containing Paragraphs 9-24;
- 8. The following changes were made in this lease prior to its execution:

Paragraphs 2 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 24 have been added. The words "in whole" have been added after the word "lease" in Paragraph 4 prior to lease execution. The words "on or after the fourth (4th) year firm term" have been added after the word "time" in Paragraph 4 prior to lease execution.

1 / //	eunto subscribed their names as of the date first above written.
LESSOR: gamacilo Family Partnership	
BY	
(Signature)	(Signature)
IN PRESENCE OF:	
Ramb 4th 1	
(Signature)	(Addresd) /
UNITED STATES OF AMERICA: GENERAL SERVI	CES ADMINISTRATION, Public Buildings Service:
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STANDARD FORM 2 FEBRUARY 1965 EDITION

CONTRACTING OFFICER, GSA

EXCEPTION TO SF2 APPROVED

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02345

- 9. TO HAVE AND TO HOLD the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following ten (10) years, four (4) years firm term in accordance with Paragraph 18 entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
- 10. SECTION 5.10 OF THE SOLICITATION FOR OFFERS NO. GS-09B-02345, "CONSTRUCTION SCHEDULE AND ACCEPTANCE OF TENANT IMPROVEMENTS (MARCH 2007): All of section 5.10 if the Solicitation For Offers, No. GS-09B-02345, entitled "CONSTRUCTION SCHEDULE AND ACCEPTANCE OF TENANT IMPROVEMENTS (March 2007)", is hereby deleted in its entitrety and replaced with the following:
 - A. The construction schedule shall commence upon lease award, unless otherwise expressly agreed by the Lessor and Government as stated in the lease. The schedule shall be divided into 5 tasks for each phase. These are: 1) the Lessor's generation of the Government's construction documents; 2) the Government's review of the construction documents; 3) the TI submittal, review and Notice to Proceed (NTP) process; 4) the Lessor's construction of the subject leased area; and 5) the Government's acceptance of the Lessor's construction. Each of these tasks is detailed below. References to "approval" shall mean such approval granted by the GSA Contracting Officer. During the construction schedule, the Government may request regularly scheduled progress meetings and request that the Lessor keep meeting minutes of discussion topics and attendance. During design and construction, the Lessor may discover instances where the Government's directives conflict. In such cases, the Lessor shall immediately notify the GSA Contracting Officer so that the Government may issue a determination as to how to proceed beyond the building shell.
 - B. WORKING/CONSTRUCTION DRAWINGS:

The Lessor shall prepare, as part of the Tenant Improvement Allowance, final working/construction drawings for the improvements illustrated on the Government-approved design intent drawings. The working/construction drawings shall include engineered drawings of an automatic misting fire sprinkler system in accordance to the specifications as outlined in the attachment to this lease entitled, "NFPA 750 Standard on Water Mist Fire Protection Systems 2006 Edition" (pages 1-73), all mechanical, electrical, plumbing, fire safety, lighting, structural, and architectural improvements scheduled for inclusion into the Government-demised area, and be annotated with all applicable specifications. The resulting product shall reflect requirements which are substantially the same as that specified by the Government-approved design intent drawings and shall incorporate neither extraneous additions nor deletions of requirements. The Lessor's working/construction drawings shall be due to the Government within 20 working days of the Government's approval of the design intent drawings. Working/construction drawings shall clearly identify 1) Tenant Improvements already in place and 2) the work to be done by the Lessor or others.

C. REVIEW OF WORKING/CONSTRUCTION DRAWINGS:

The Government retains the right to review, and request modifications (if necessary) to, the Lessor's construction documents prior to the Lessor's commencement of interior construction. The Government's review of the construction documents is limited to the construction documents' conformance to the specific requirements of the SFO and to the approved design intent drawings. The Government shall perform all reviews of construction documents within 10 working days of receipt of such from the Lessor. Should the Government require that modifications be made to the Lessor's construction documents, the Government shall state such in writing to the Lessor, and the Lessor shall have 5 working days to cure all noted defects before returning the construction documents to the Government for a subsequent review. Upon complete Government review for conformance of the construction documents to the design intent drawings, the Lessor shall obtain the necessary permits. Notwithstanding the Government's review of the construction documents, the Lessor is solely responsible and liable for the technical accuracy of the construction documents in meeting all requirements and provisions of the lease and the Government-approved design intent drawings. The Lessor shall obtain the necessary permits and may commence construction of the shell space.

D. TENANT IMPROVEMENTS PRICE PROPOSAL

Within 15 working days of Government review for conformance of the construction drawings, the Lessor must submit the written price proposal along with the documentation of the competitive proposals (as described in the "Tenant Improvements Pricing Requirements" paragraph in this section) and for any costs or credits to the Government that are beyond the scope of the original SFO and its attachments. Any work shown on the construction documents that is building shell shall be clearly identified and priced as such. After negotiation and acceptance of the Tenant Improvements price, A NOTICE TO PROCEED SHALL BE TRANSMITTED TO THE LESSOR, and the Lessor shall commence construction of the Tenant Improvements.

E. CONSTRUCTION OF TENANT IMPROVEMENTS:

TheLessor shall construct all Tenant Improvements in accordance with 1) the Government reviewed working/construction drawings and 2) all terms and conditions of the SFO. The Lessor shall complete Tenant Improvements within 60 working days of receiving the notice to proceed from the Government. The Lessor shall furnish a detailed construction schedule (such as Critical Path Method) to the Government within 5 days of issuance of the notice to proceed. Such schedule shall also indicate the dates available far the Government contractors to

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install telephone/data lines or equipment. The Government reserves the right to access any space within the building during the conduct of interior construction for the purposes of performing inspections or for installing Government-furnished equipment. The Government shall coordinate with the Lessor the activity of Government contractors in order to minimize conflicts with, and disruption to, other contractors on site. Access shall not be denied to authorized Government officials including, but not limited to, Government contractors, subcontractors, or consultants acting on behalf of the Government with regard to this project.

F. ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY:

15 working days prior to the completion of interior construction, the Lessor shall issue written notice to the Government to inspect the space. The Government shall have 5 working days to inspect and to either accept or reject the subject space.

- Substantially completed space will be accepted by the Government subject to the completion of minor punch list items (see the Definitions paragraph of GSA Form 3517, General Clauses). Space which is not substantially complete will not be accepted by the Government. Should the Government reject the Lessor's space as not substantially complete as defined herein, the Lessor shall immediately undertake remedial action and when ready shall issue a subsequent notice to inspect to the Government.
- 2. The Lessor shall provide a valid Certificate of Occupancy, issued by the local jurisdiction, for the intended use of the Government and shall maintain and operate the building in conformance with current local codes and ordinances. If the local jurisdiction does not issue Certificates of Occupancy, the Lessor shall obtain the services of a licensed fire protection engineer to verify the offered space meets all applicable local codes and ordinances to ensure an acceptable level of safety is provided.

G. RENT COMMENCEMENT:

The rent commencement date (for each increment) shall be the date that space acceptance is made by the Government. Any rental paid by the Government prior to actual occupancy shall be less the cost for services and utilities. In any event, the Government will not be required to accept space and commence rent prior to the original date as indicated in SFO paragraph 1.8.

H. LEASE COMMENCEMENT:

The Government shall issue GSA Form 276, Supplemental Lease Agreement, to establish the lease commencement date after the acceptance of all space, if different from the date previously established in the lease. In any case, the lease commencement date shall not be prior to the rent commencement date

- 11. TAX ADJUSTMENT: This lease is not subject to tax escalations
- 12. Percentage of Occupancy: The Government occupies 4,222/12,000 rentable square feet (35.18%).
- 13. <u>OPERATING Cost</u>: Pursuant to Paragraph 4.2, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$13.97 per rentable square foot per annum.
- 14. ADJUSTMENT FOR VACANT PREMISES: Pursuant to Paragraph 4.3, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$4.50 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon SF-2 Paragraph 12, "Operating Cost."
- 15. OVERTIME USAGE: Pursuant to Paragraph 4.5, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (6:30 a.m. 6:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$4.10 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 300 Ala Mona Bivd., Suite 1-336, Honolulu HI 96850 to receive payment.
- 16. <u>TENANT IMPROVEMENT ALLOWANCE</u>: The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the 4 year firm term of the lease agreement at an interest rate (amortization rate) of 7.25 % per year.

17. BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:

- A. Budget and Price Proposals for Tenant Improvements Within 30 working days from Lease Award, the Lessor shall submit to the Government a budget proposal based on the Construction Documents. The cost estimate must be submitted in Construction Specification Institute (CSI) Format along with shell and tenant improvement costs allocated into their prospective cost categories.
- B. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Teriant Improvement Allowance specified in the Lease, then

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the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.

- C. The construction schedule required in Paragraph 5.10 (E), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
- D. In addition to the submission requirements specified under Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements,", Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 20 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

18. INSPECTION OF PREMISES:

- A. The Lessor shall notify the Government 30 calendar days in advance of the anticipated substantial completion date as defined in Paragraph I of the GSA Form 3517. Within working days after the date the Lessor notifies the Government that the space is "substantially complete," the Government shall inspect the Premises and appurtenances. Within five working days after the inspection, the Government shall notify the Lessor of any deficiencies in the Premises and appurtenances and the Lessor shall thereafter diligently pursue remedying any defects. If any subsequent Government inspection is required to confirm conformance with the results of a prior inspection, any such subsequent inspection and notification of the results of such inspection shall be made in accordance with the foregoing procedure and the time frames.
- B. The period during which rent shall be deemed to have commenced for the Premises shall be the date that the entire space is accepted for occupancy by the Government (or the date accepted for occupancy, subject to completion of a written punchlist of items not materially affecting beneficial occupancy which are yet to be finished). Any items to be completed or corrected that have been identified at the acceptance of the space as a punchlist item and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

19. ACCEPTANCE OF SPACE:

- A. The following is added to Paragraph 5.10 F (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
- B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

20. OCCUPANCY REPORTS:

- A. Building Systems: In accordance with Paragraph 8.2, "Building Systems" of the SFO, the Lessor shall furnish at no cost to the Government the required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: In accordance with Paragraph 6.6, "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.
- C. Schedule of Periodic Services: In accordance with Paragraph 4.8, "Schedule of Periodic Services," of the SFO, the Lessor shall furnish at no cost to the Government the required schedule of periodic services and maintenance to be performed other than daily, weekly, or monthly prior to the Government's occupancy of the Premises.
- 21. <u>UNAUTHORIZED IMPROVEMENTS:</u> All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and Camacho Family Partnership. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.
- 22. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to

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mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

- 23. Waiver of Restoration: The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.
- 24. Fire Mist System Construction Document and Installation Cost Allocations: In accordance with the attachment entitled, "NFPA 750 Standard on Water Mist Fire Protection Systems 2006 Edition (pages 1-73), a licensed engineer will derive and draft Construction Drawings for the purposes of adding a water mist fire protection system into the leased premises. The costs for completed Construction Documents, pertaining to the water mist fire protection system, shall be 70% Tenant cost and 30% Lessor cost. The water mist system equipment and complete installation costs shall be 70% Tenant cost and 30% Lessor cost. Equipment and installation costs shall not be associated with items found in SFO paragraph 11.2 entitled, "SPECIAL REQUIREMENTS: 2 power generator (SHELL COST)" or SFO paragraph 11.3 entitled, "SPECIAL REQUIREMENTS: 3 emergency potable water supply (SHELL COST)".

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Government

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